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Key Questions in the Fall of China's Hu Yaobang

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An Intelligence Assessment

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*EA 87-10018
May 1987*

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Key Questions in the Fall of China's Hu Yaobang

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An Intelligence Assessment

This paper was prepared by [redacted]
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**Key Questions in the Fall of
China's Hu Yaobang**

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Scope Note

This paper uses a question and answer format to discuss key questions surrounding the ouster of Hu Yaobang: What were the causes of his fall? What are some of the short-term costs and benefits and potentially more serious long-term consequences? And what does this episode say about the contradictions within the reform leadership that is trying to modernize China? Many of our answers are speculative.

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We have sought to assess information from Chinese propaganda and press leaks by Chinese officials,

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to reconstruct the events leading to Hu Yaobang's ouster. Because reformers had control of the propaganda machinery,

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much of our information has tended to have a reformist bias. Moreover, hindsight inevitably colors information that has become available since Hu resigned.

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Finally, the paper lists some important indicators we believe will give us a better fix in the months ahead on the balance of forces within the leadership and the direction the reform program will take

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**Key Questions in the Fall of
China's Hu Yaobang**

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Key Judgments*Information available
as of 20 April 1987
was used in this report.*

We still know relatively little about the events that led to Hu Yaobang's dismissal as General Secretary in January 1987. Chinese officials and the Western media have offered a range of explanations from a falling out between Chinese leader Deng Xiaoping and Hu to a conservative attack on Deng that forced him to sacrifice Hu. [REDACTED]

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We believe that over the last two years Deng gradually lost confidence in his protege, Hu Yaobang. In particular, Deng was angered by Hu's repeated public gaffes on policy issues, including relations with the United States, and apparently had increasing doubts about the abrasive Hu's ability to hold the reform coalition together. Indeed, as General Secretary of the party, Hu had alienated the old guard with his anticorruption campaign and angered some reformers by meddling and by monopolizing patronage. He never did win the confidence of the military. [REDACTED]

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According to reliable information and press reports, the situation apparently became more serious last summer, when longstanding policy differences between the two widened, and, most important in our judgment, Hu pressed Deng to retire. [REDACTED]

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We can only speculate on why Deng advanced his timetable by 10 months. It is conceivable that differences over how to respond to the student demonstrations in December so angered Deng that he moved immediately. We think it more probable, however, that Deng feared Hu would try to reverse his ouster by rallying his many supporters before the Congress. Conservative leaders undoubtedly lobbied Deng, but we doubt press speculation that they forced his hand, [REDACTED]

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Other Chinese leaders, most notably Deng himself, have bounced back after a fall, but we doubt Hu will. He lacks the prestige and widespread respect within the party and other important constituencies, especially the military, that Deng used to make his own comeback. [REDACTED]

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In weighing costs and benefits, we speculate that Deng may have calculated that he would gain in the long run by removing the one leader most likely to unite the opposition and disrupt the reform camp. By moving when he did,

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Deng may believe he avoided a more bitter showdown at the party congress, and that in Zhao he has a man who can repair the damage done to the reform program. [REDACTED]

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In our judgment, however, Deng has incurred some significant costs. He has:

- Shaken the confidence of reform supporters in the party and government, especially those identified with Hu, who have worked hard to support Deng's policies.
- Undercut public faith in the permanence of the reform program, a key to its success, and alienated many of the talented people whose cooperation and innovative ideas are needed to maintain the program's pace.
- Created an opening for conservative opponents of reform to attack both the program and its advocates.
- Removed an immediate threat to the reform coalition but, paradoxically, increased the potential for a power struggle after his death. [REDACTED]

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The circumstances of Hu's fall underscore how shallow the roots of reform are and illuminate some of the new fissures created by it and the inherent contradictions in it—such as the tension between the need for party control and the need to decentralize decisionmaking and encourage new ideas. We also see a generational cleavage over such basic questions as the pace and scope of reform and even divisions among the reformers, with the possibility of a split between Hu and Zhao backers. These factors reinforce our belief that the party has only a limited capacity to reform itself and devolve power. Moreover, when faced with a choice between the risks of a more open policy and ensuring control, the party has always opted to assert control. [REDACTED]

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As we analyze how events may unfold, we start from the basic judgment that Deng remains the most powerful figure in China, and that, although the conservative forces have gained, Deng, who is still a reformer, is not hamstrung by them. The reform camp is under pressure but committed to opposing the conservative challenge, and Zhao will, in our judgment, remain General Secretary. We believe the following will be important indicators of the balance of power in Beijing and the direction of policy:

- The choice of premier and other senior personnel appointments. The choice of Vice Premier Li Peng, for instance, would suggest conservative strength, while the appointment of a party elder like Wan Li could indicate an inability to agree on a permanent replacement.

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- The continuing high visibility of conservative spokesmen and their dominance of the propaganda apparatus.
- The duration and intensity of the current campaign against “bourgeois liberalism.” Zhao and the reformers are trying hard to restrict and cut short this conservative campaign.
- The political health of prominent Hu Yaobang associates.
- Economic policy pronouncements. The reform camp wants to launch some new measures this year but would probably settle for protecting existing policies. The struggle for control of this area will probably be one of the most intense.
- Antiforeign, particularly anti-Western, articles in the press would suggest an increase in conservative influence.
- A delay in holding the 13th Party Congress would suggest unbridgeable differences in the leadership. [redacted]

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Absolutely critical in all this is Deng's own assessment of the situation and the tactics he chooses to pursue. Deng has voiced his support for reform in meetings with several foreign leaders since January, and has said that some reform goals such as rejuvenation of the bureaucracies will be on the agenda in October. However, he has not yet given a clear indication of what tack he might take or what specific plans he might have. As the date for the Congress draws closer, his goals—and strength—should become clearer.

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Key Questions in the Fall of China's Hu Yaobang

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Reasons

Why Was Hu Ousted?

We still know little about the heated debates and fierce political infighting within the Chinese leadership that preceded Hu's ouster in January as party General Secretary. Deng may have acted hastily, and even in anger, but we doubt that he fired his designated heir primarily because of the student unrest or conservative pressure. Rather, [redacted]

[redacted] we believe that the student demonstrations crystallized Deng's determination to force Hu out because the two were increasingly at odds over power and the succession. [redacted]

We believe Hu over the past several years had become increasingly impatient with the old guard's clinging to power. As a result, he sought to create his own power base to ensure his succession to Deng and to exert greater influence over policy. In the process, we suspect Deng gradually lost confidence in Hu, in part because Hu antagonized too many other leaders of the reform coalition and in part because of his repeated gaffes on foreign policy issues. [redacted]

[redacted] for example, both Chen Yun and Zhao Ziyang sharply criticized Hu for acting without authorization in publicly warning the United States in November 1983 that the impending trip of Premier Zhao to Washington might be canceled if the US administration did not dissociate itself from a US Senate resolution calling for self-determination for Taiwan. [redacted]

[redacted] Hu made many enemies among party conservatives and the military old guard, including those close to Deng, by:

- Monopolizing party patronage and aggressively promoting his own proteges, such as Hu Qili, to powerful positions and flaunting his power instead of coordinating with and building bridges to the other leaders.

- Making deprecating remarks about the old guard in an interview he gave to a Hong Kong journalist in 1985. Hu even denigrated the importance of the military and especially the party's military commission, which Deng heads and that contains many of Deng's oldest and closest comrades in arms, such as Yang Shangkun and Wang Zhen.

- Zealously pursuing the anticorruption campaign in 1986, especially against a number of children of the conservative cadre. [redacted]

[redacted] Hu used the campaign to attack his opponents—and even Zhao Ziyang—at a Politburo meeting early last year.

- Stifling the "spiritual pollution" campaign in 1984 and encouraging the freewheeling debate in the media in the summer of 1986 over political reform that some intellectuals used to question the value of Marxism and to criticize the role of the Chinese Communist Party (CPP)—a debate that triggered the current conservative-led campaign against Western "bourgeois liberalism." [redacted]

Signs of friction between Deng and Hu surfaced as early as 1983, when they apparently disagreed over the need for a harsh crackdown on intellectuals and on crime—two separate but linked campaigns. We believe Deng's two-tier plan for the succession, which surfaced in the winter of 1984/85, indicated second thoughts about Hu's abilities.¹ At the time, we argued that one goal of Deng's plan was to institutionalize the succession process and to groom younger leaders in whom Deng had confidence to carry the reform program into the next century, well after he and other senior leaders, including Hu and Zhao, had retired or

¹ On the basis of press [redacted] reporting, we believe that Deng had developed a succession package. According to the plan, Zhao Ziyang would have assumed the presidency from Li Xian-nian; Hu Yaobang would have taken over the Military Affairs Commission chairmanship from Deng; Li Peng would have become premier; and Hu Qili was slated to become party general secretary. [redacted]

**Reformers and Conservatives in China:
What the Terms Mean**

*We use the terms "reformer" and "conservative" for convenience to describe groupings within the Chinese leadership. All members of the leadership in fact are reformers who came to power after the fall of the Gang of Four in 1976 with the aim of dismantling the Maoist system and promoting political and economic stability. Very quickly, however, differences in approach and goals surfaced, and the leaders began to separate into two loosely organized camps. There is considerable overlap—for instance, there are many who are "liberal" on economic reforms but "conservative" when it comes to political affairs. **Deng Xiaoping** is generally thought of as the chief reformist, but has recently demonstrated a decidedly conservative bent in ideological matters.*

*The group that we call **reformers, liberal reformers, or progressives** generally favors close relations with the West, the introduction of market forces into the economy, and a sharp reduction in the party's role in economic matters and day-to-day governmental administrative decisions. Its members are more relaxed about ideological matters and more tolerant of intellectuals' tendency to test the limits of dissent. They are willing to consider extensive revisions of the*

political system—for example, real elections for delegates to the provincial people's congresses ("legislatures" that have some advisory role but are largely rubberstamp bodies).

*Those we lump together as **conservatives or traditionalists** want to maintain a strong role for central planning in the economy, though they are willing to experiment with market forces around the margins. They recognize the need for Western technology and access to our markets, but some believe China should improve relations with the Soviet Union—especially in trade, so China can obtain some of what it needs without using scarce hard currency reserves. They believe that dissent should be strictly controlled and that intellectuals should look to the party for guidance. Most favor closer party oversight of economic and governmental matters than do the "reformers," and they do not believe an overhaul of the political system is necessary or advisable. A common thread in their thinking is fear of instability if party control is weak.*

died. But we also speculated that Deng may have been trying to ease Hu out by proposing that Hu succeed him as chairman of the Military Advisory Commission—a move that would have cut Hu off from his power base in the party and put him in "charge" of a group composed mainly of Deng's cronies. Indeed, we suspect Deng feared that the abrasive, tactless, and impulsive Hu could not manage the reform program and hold together the disparate elements of the coalition he had forged. Deng may well have concluded that, if Hu succeeded him, the leadership would separate into factions and become embroiled in a power struggle that might destroy all he had sought to build.

Since Hu's dismissal, additional information has surfaced to support this speculation. It now appears that Deng and Hu had become increasingly estranged until, by early last fall, their relationship reached the breaking point. Two recently acquired accounts indicate that Deng had already decided and gained preliminary party approval last November—well before the student demonstrations—to replace Hu with Zhao as party chief at the 13th Party Congress in October 1987. Press reports indicate there were heated exchanges last summer at the leadership meetings at Beidaihe over political



Figure 1. Deng Xiaoping (left) and Hu Yaobang vote at the 12th CCP Congress. [redacted]

reforms and succession issues. [redacted]

[redacted] Deng's old military cronies—many of whom had previously voiced their opposition to Hu's succeeding Deng as head of the military commission—again refused to accept Hu. In a slightly different account, the Japanese press reported that Hu refused to take the job, which suggests he may have been angry that Deng had not offered him a more important and influential post in exchange for giving up his position as party General Secretary. Other Japanese press reports indicate that Hu pressed Deng last September to retire and give him the chairmanship of the Central Advisory Commission. Deng reportedly solicited the support of many of the old guard to turn aside Hu's demand. [redacted]

Two other events in retrospect point to rising tensions between Hu and Deng:

- In the fall of 1986 Deng began to signal that he would not retire as soon as he had planned, citing calls from many within the party for him to stay on. In an interview with an American newsman in September 1986, Deng said he hoped to retire at the 13th Party Congress, but probably would not be able to do so.
- Last fall, Zhao's appointment as the head of the "political reform leading group," directed to come up with proposals for implementing political reform, may have been another sign of Hu's slipping position. [redacted]

Why Did Deng Decide To Remove Hu in Mid-January?

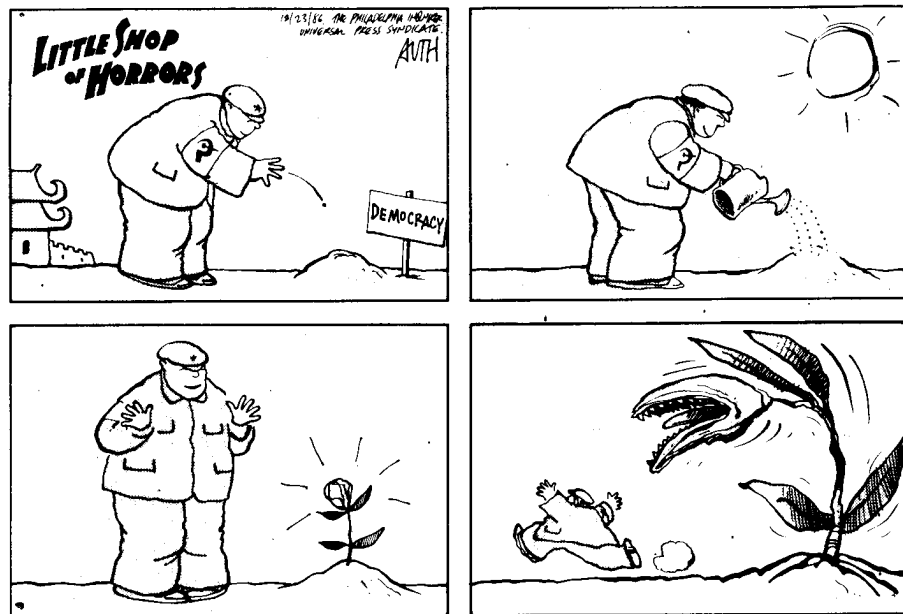
We can only speculate on the reasons. It is possible that differences over the student demonstrations may have brought the tensions between Hu and Deng to a flashpoint. Hu acknowledged he had made mistakes in a self-criticism he gave at a leadership meeting on the demonstrations in early January, according to some press reports, but these accounts also suggest Hu adopted a defiant rather than a repentant tone. That may have fueled Deng's anger and provoked him to demand Hu's immediate resignation. [redacted]

We suspect [redacted] that it is more likely that Deng moved because he feared that Hu planned to rally his supporters within the party between now and the party congress to try to reverse Deng's decision to replace him. Hu, in fact, has salted the party, including the central party organs, with many of his supporters and could well have mounted a damaging challenge to Deng's power. Press reports claim Hu was pressing Deng to retire, and we know that someone in the leadership ordered Chinese officials abroad to poll their units on whether Deng ought to retire. Hence, Deng may have seen a mounting threat and believed he had to take preemptive action. As it was, the US Embassy in Beijing heard that Deng was unable at a meeting of the Politburo in December/January to gain a decisive vote against Hu and, therefore, called an extraordinary "enlarged" Politburo meeting, packed with his supporters, to oust Hu and demonstrate his power. [redacted]

Could Hu's Conservative Opponents Have Forced Deng's Hand?

One line of speculation in the Western press is that conservatives such as Chen Yun and Peng Zhen, or a broader cross section of the old guard, forced Deng to oust Hu. Given the list of Hu's enemies, it would be surprising if they had not been trying to undermine him. [redacted] Hu came under increasing attack from conservatives in the summer and fall of 1986 for encouraging media debate on political reforms, which ultimately contributed to the demonstrations. We suspect that some members of the old guard, including those close to [redacted]

Figure 2. Western commentary on political reform in China. Source: The Philadelphia Inquirer, reprinted in a Hong Kong newspaper [redacted]



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Deng who generally support the reform program, criticized Hu for lending legitimacy to heretical ideas that they feared would undermine the authority of the party. Deng probably shared their concern, judging by the way he lashed out at the three intellectuals Fang Lizhi, Liu Binyan, and Wang Ruowang—he ordered them expelled from the party for encouraging the students. We believe many other conservatives were more concerned about Hu's anticorruption campaign, which targeted a number of their children. Opposition to Hu from these disparate elements could have coalesced in the wake of the student demonstrations, compelling Deng to sacrifice Hu to protect himself and the reform program. [redacted]

We doubt, however, that Deng would have acquiesced in Hu's removal if he had not concluded that Hu had become a political liability and a threat to his authority. The reports of differences between Deng and Hu since the fall of 1986 and of the decision to name Zhao to replace Hu indicate that Deng had already made the decision to dump Hu. Although the popular perception in China seems to be that the conservatives forced Deng's hand, we believe he needed little encouragement. [redacted]

What Role Did Zhao Ziyang Play in Hu's Downfall?

We have no evidence that Zhao played a role in engineering Hu's ouster, although we believe neither Zhao nor his supporters are entirely unhappy to see Hu go. We suspect that many of Zhao's supporters and perhaps Zhao himself did not hold Hu in high regard and probably resented his attempts to meddle in economic policy matters. Over the longer run, moreover, Zhao stands to gain the most by Hu's departure. He appears to have the inside track as Deng's eventual successor, if he plays his cards skillfully. Zhao's reputation as an able administrator; his moderate, balanced style; and the fact that, [redacted] he has had amicable personal relations with the old guard favor him and are probably why Deng chose him to replace Hu. He now has the unenviable job, however, of trying to repair the damage and keep the reform program he strongly supports from stalling. [redacted]

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Figure 3. Zhao Ziyang concurrently serves as Premier and Acting Party General Secretary. [redacted]

At a minimum, we believe Deng has removed the one personnel issue that united conservatives in the party and the Army—opposition to Hu's succeeding Deng. Although Zhao by virtue of his new position is likely to be a target of some conservative criticism, Deng may calculate that he is in a better position to divide and conquer conservatives on policy and personnel issues. If so, we would expect him to begin soon to curb the conservative-led antibourgeois liberalization campaign. Zhao's efforts to limit the campaign to the party and his declaration that reform policies are off limits may, in fact, reflect Deng's effort to do just that. [redacted]

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Can Hu Make a Comeback?

Although Hu has Deng's own history as a model, we believe he is more likely to go the way of his immediate predecessor Hua Guofeng, who has become all but invisible since he fell from power in 1981. In our opinion, Hu lacks the prestige and the widespread respect within the party and other important constituencies, especially the military, that Deng had when he made his comeback. Thus, although many party cadre owe their positions to Hu's patronage, we believe a good many will soon begin to shift their allegiances to other leaders, if they have not already done so. Hu Qili, Hu's heir apparent as party chief, has already sought to distance himself from Hu Yaobang. We believe, moreover, that Zhao is putting out lines to Hu's supporters. In late January speech Zhao appeared to be making an elliptical appeal that they come over to his side. [redacted]

Costs and Benefits

What Did Deng Gain by Cashiering Hu?

From Deng's perspective, he has removed the one leader most likely to disrupt his efforts to maintain a consensus between reformers and conservatives on an overall (albeit gradual) reform course. By removing Hu in January, moreover, Deng may have:

- Forestalled a much more bitter and potentially destabilizing fight at the October party congress.
- Avoided a party-wrenching purge of Hu's supporters.
- Bought time for the reform wing to close ranks and work out a new modus vivendi with conservatives that allows the Dengists to continue to control the reform agenda. [redacted]

Deng may even calculate that he can use the concern aroused at home and abroad by dumping Hu to force agreement at the top on how to proceed. Deng has always stressed the importance of stability and has believed the reforms needed to be carried out gradually, on an experimental basis. In the wake of the student demonstrations, we believe he is telling the reformers to avoid the kind of headlong disruptive pace Hu Yaobang advocated—a message also designed to co-opt conservative criticism while telling conservatives the reform program will continue. Deng has also sought to discourage student and particularly worker activism by sending a strong signal that he will not tolerate threats to stability and party control. [redacted]

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What Costs Has Deng Incurred by Firing Hu?

Whatever Deng's gains in the long term, he will, in our judgment, pay a high price in at least the short run for cashiering Hu the way he did. The cumulative impact of firing Hu, the expulsion of three liberal intellectuals from the party, and the subsequent conservative-led campaign against "bourgeois liberalism" have, in our judgment, shaken the confidence of reform supporters in the party and bureaucracy—especially those identified with Hu Yaobang, who have worked hard to implement policies Deng supports. In the short run, at least, they will be looking mainly for ways to protect themselves rather than continuing to push reform. Hu Qili, a Hu protege and one-time Deng choice to succeed Hu as general [redacted]

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secretary, has already begun to take a more conservative line in public. And so to a lesser extent has another Hu protege, Minister of Culture Wang Meng. Even if most of Hu's supporters survive the present uncertainty, we wonder whether they will be prepared to promote reform as aggressively as they did before Hu's fall. []

We have long believed that the success of Deng's program depends heavily on convincing all Chinese, especially the talented, that the policies will not change and that it is safe to be an advocate of reform. In our judgment, the purge of the top reformer is a major blow to this effort. The initial reaction among many intellectuals and students—whose cooperation and ideas the reformers need to maintain the momentum of China's modernization drive—has been increased cynicism and disillusionment, according to the US Embassy in Beijing. Deng and Zhao are likely to have greater difficulty tapping the talents of these groups, which we believe will be more wary now of advocating new approaches to problems for fear of becoming the victims of conservative attacks. Several accounts also indicate that some party members in overseas posts are confused and shocked over Hu's resignation and may be looking for ways to avoid returning to China. []

Conservatives at all levels of the party, in our view, will attempt to take advantage of this opportunity to stall or roll back reforms they oppose. We believe local party secretaries, who saw their authority eroding as a result of the factory manager responsibility system, probably have already begun to reassert themselves. Resistance from lower levels of the party was a major obstacle to the implementation of the urban reform program even before Hu's fall. In fact, it was a key reason Deng himself called last year for "political structural reforms" to remove party hacks from interfering in day-to-day economic decision making. We believe the almost inevitable postponement of political reforms will make this resistance just that much harder to overcome. []

Foreign firms will probably think even harder about investing in China as long as the domestic situation remains unclear, and especially as long as the current attacks on Western ideas and some reform leaders for

taking the "capitalist road" continue. New investment had already declined sharply in 1986, in part because of foreign companies' concern over the profitability of operations in China and the lack of adequate legal safeguards for their investments. []

Perhaps most serious, we believe, is the damage Deng has done to his efforts to institutionalize power, which he saw as important for ensuring leadership stability and protecting his modernization plans. With his own succession plans in tatters, the potential for a power struggle after his death is probably much greater. []

Deng and Zhao recognize the harm Hu's ouster has caused and are trying to limit the damage. Both men have repeatedly stated publicly that China's opening to the outside will not change. According to a pro-China newspaper in Hong Kong, Zhao also has taken steps privately to limit the impact of the current antibourgeois liberalism campaign and to reassure intellectuals that there will not be a widespread party purge. In his public appearances since his purge, Zhao has repeatedly voiced his determination to prevent the campaign from affecting economic reforms or turning into a disruptive political movement like those of the past. []

Reflections on Hu's Fall

Hu's downfall reminds us that, despite nearly 10 years of reforms, important features of Chinese politics—especially the nature of power—have not changed much under Deng. More important, we believe it highlights inherent contradictions within the reform leadership—not just between moderate and more conservative reform advocates but also among moderates themselves over such basic issues as the pace and scope of reform, the role of the party, and power sharing. These contradictions raise questions—many of which we cannot answer at present with any confidence—about the prospects over the longer term for China's reformers in implementing far-reaching systemic changes—particularly those that weaken the

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Figure 4. Hu Yaobang (in Western-style suit) confronts his detractors at an enlarged Military Commission meeting in December 1986. Hu was sharply criticized by military leaders, including Deng. [redacted]



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power of the party—and even about the durability of some existing reforms. Given the present uncertainty, our observations are intended less to answer these questions than to stimulate further debate and analysis. [redacted]

Power

A principal aim of the reform program has been to ensure that there would never be a repetition of the chaos of the Cultural Revolution, which many Chinese leaders blamed on the concentration of power in the hands of one man, Mao Zedong. To this end, Deng has sought ways to vest power in positions rather than in men, to institutionalize collective leadership, and to regularize the transfer of power. Deng's ouster of Hu demonstrates not only how weak the new institutional and legal structures created by reform are, but also to what a great extent individual power depends on personal connections rather than on one's official position. Deng, who was nominally Hu's subordinate—although no one in or out of China ever took that seriously—ousted him by drawing on a network of supporters among powerful party elders built up over many years. [redacted]

That many of these party elders no longer occupy any important official position underscores this point. Hu spent years building a network of supporters down through the party, and his associates dominated all the key party organs. This was of little use to him in the end because he failed to build strong personal ties across the top. The events of December and January make it plain that the concentration of authority in one man, in this case Deng—and consequently that

man's ability to do great harm or great good—is likely to remain characteristic of the Chinese system for the foreseeable future. [redacted]

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The episode also demonstrates that, although the broad political influence of the military has been reduced under Deng, its support is still necessary for succession arrangements. Many of Deng's confidants are military elders; Hu's failure to win their respect was a major factor in Deng's loss of confidence in him. We do not believe the military can impose its choices on the party as a whole, but what happened to Hu indicates that it can probably block arrangements that it strongly opposes. [redacted]

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Finally, the struggle between Deng and Hu highlights a major contradiction in Deng's attempt to institute succession arrangements. For them to work, we believe Deng himself must be willing to step down, relinquish power, and allow his successors to assume full authority—something neither he nor other party elders have been willing to do. When faced with a choice in January 1987 between protecting his power or upholding a fragile constitution and legal system he has helped put in place, Deng chose to protect his power, thereby undermining both his succession arrangements and the very institutions he has sought to strengthen. [redacted]

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We suspect Deng has rationalized his decision to dump Hu as necessary to protect the reforms, and he may also believe he has become indispensable to the

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Figure 5. Hu Yaobang (seated, center) plays bridge with Deng Xiaoping (right) in better times.

reforms. In our opinion, other senior leaders eager to retain their power will certainly encourage him to believe so because they realize that if Deng retires they would be under intense pressure to follow. The implication of this may be that Deng may be even more reluctant to entrust great power to others and will, in turn, have a much more difficult time constructing viable succession arrangements. Indeed, in our judgment, any chosen successor—whether it is Zhao Ziyang or someone else—will have to labor under some of the same burdens Hu did. That is, he is likely to be dependent on Deng's support and become a target for those opposed to reform and thus a potential scapegoat when problems arise. Any successor, moreover, will have to accumulate power much the way Deng has, by establishing lateral as well as vertical networks of support within the party and state bureaucracy. Yet he will have to tread carefully lest he arouse the suspicion and distrust of Deng and other party elders.

Sharpening Contradictions

We believe Hu's fall and the conservative offensive illuminate the inherent contradictions in the reform program and new fissures created by it. The senior leaders most responsible for shaping China's reform program since 1980—Deng, Chen Yun, Hu Yaobang, and Zhao Ziyang—all agreed at the outset on the central goal of their modernization drive: to create an economically strong and powerful China capable

sometime in the next century of playing a major role in international affairs. They probably also agreed on key elements of a basic strategy: to promote science and technology; to expand economic ties to the outside world, particularly the West; and to attract foreign investment and technical expertise. But, as the reform program has unfolded and new problems have emerged, the thinking, particularly of some of the younger reformers, has evolved, creating, in our judgment, a generational cleavage over such basic questions as the pace and scope of the reform program.

Although Deng and more conservative party elders clearly disagree on some key issues, we believe they are agreed that the reform program should remain firmly grounded in Marxism, and that they are trying to create a socialist society with "Chinese characteristics." They agree that borrowing from capitalist societies is permissible but that to "go too far" would be a betrayal of all they have fought for during the revolution and since, and that the party must retain a central role in China's modernization drive—which underscores our belief that the party has only a limited capacity to reform itself and devolve power. Some of the younger reformers—encouraged by both Hu Yaobang and Zhao Ziyang—have been much more willing to stray from Marxist ideological moorings, in order to allow greater experimentation and even questioning of basic principles in the pursuit of effective policies. They seem more willing to entertain the possibility of promoting greater pluralism and allowing greater dissent than do party elders.

One issue that Deng and Hu parted company on was the issue of how much latitude to give intellectuals to express their views and even to criticize the party. We believe Hu tended to see such criticism as healthy and not as a threat to the party's power. Deng and other party elders, however, did not. In our view, it points up one of the dilemmas party leaders have always faced: how to harness the support of intellectuals without relinquishing too much control. Whenever faced with a choice between ensuring control and giving intellectuals more freedom, the leadership has always opted to assert control, which has disillusioned and alienated many intellectuals.

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Deng and Hu: Happier Years

Deng and Hu have been closely associated since before the founding of the People's Republic of China in 1949. During the 1930s both men served together in the 8th Route Army, the prestigious army that fought in many of the Chinese civil war's most famous battles, and they made the Long March together. After 1949 both men assumed party posts in Sichuan Province. In 1952 Deng and Hu were transferred to Beijing—Deng as a vice premier and Hu as head of the Chinese Communist Youth League. [redacted]

While serving as director of the CYL, Hu aided Deng's efforts to promote economic and political ideas more liberal than those of CCP Chairman Mao Zedong by appointing Deng's supporters to numerous grassroots party posts. During the Cultural Revolution, Hu's association with Deng—one of the main targets of the movement—was a major reason for his being purged. Red Guards accused Hu of following Deng's political line and criticized him harshly because of the close personal relationship between the two men. Among other things, Hu and Deng were chastized for questioning Mao's infallibility—and also for establishing a private club so they could play bridge. [redacted]

In 1972 Hu returned to political life as a member of the National People's Congress Standing Committee; Deng's rehabilitation came the following year. During the next four years Deng consolidated his position within the national bureaucracy partly through the support of newly appointed party officials—many of whom had been trained in the CYL under Hu. During leadership struggles following Mao's death in 1976, the two men were again purged, only to be rehabilitated the following year. In 1978 Hu was elected to the Politburo, and Deng regained his posts as vice chairman of the CCP and Politburo Standing Committee member. Two years later Deng had Hu named a member of the Politburo's Standing Committee and General Secretary of the CCP. [redacted]

Throughout their long association, Deng had ample time to assess Hu's personality and politics. Indeed, we believe that one reason Deng selected Hu for the top party job was precisely because of Hu's activist, charge-ahead personality and his lack of fear of the old guard. While these traits were useful to Deng, he protected Hu's position. Even now that Deng has moved against Hu, stories circulate that the two men remain personally close. [redacted]

As hard as Deng and other reform leaders have worked to raise the level of political debate and to break the old cycle of relaxation and repression, they have had only moderate success. Although memories of the Cultural Revolution have exerted a moderating influence on factionalism, the circumstances of Hu's ouster indicate, in our view, that there is still a strong tendency among Chinese politicians to seek revenge rather than compromise and conciliation. Moreover, as the short-lived spiritual pollution campaign of 1983-84 and the present conservative-led antibourgeois liberalization campaign illustrate, the regime has a tendency to launch potentially disruptive campaigns whenever leadership tensions rise. Each new campaign, moreover, takes its toll: fueling ancient grudges and generating ill will, raising doubts about

the stability of the system, absorbing enormous energy, and reducing reform gains since the last campaign. These recurring struggles seem likely to persist—at a minimum, hampering the more iconoclastic reformers' ability to implement their ideas; quite possibly setting very narrow limits for future reform that could cause the program to stall and stagnate; or, less likely, seriously disrupting and discrediting the reform program. [redacted]

Hu's downfall, moreover, indicates, in our judgment, that tensions and differences are not limited to moderates and conservatives. There are fissures within the

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Figure 6. Hu makes his first public appearance since his downfall at the National People's Congress in March.

Dengist wing of the reform camp as well. The differences that emerged between Deng and Hu over how much latitude to give intellectuals and, by extension, perhaps, what shape "political structural reform" should take, is only the most obvious example. We believe that friction also existed between Hu and Zhao over priorities and methods of achieving reform goals. Differences in temperament and responsibility explain some of this friction. Hu was impatient and impetuous, prone to act rashly. Zhao is much more deliberate and cautious. But competition for power—who, in fact, will set the agenda at the top—may also, in our view, have played a part. Such tensions may be reflected in divisions we are unaware of between Hu's and Zhao's supporters in the party and the bureaucracy. It remains to be seen, therefore, whether the moderate reformers will be able to pull together to fend off the current conservative challenge or whether the strains caused by Hu's downfall will create new and deeper fissures within the moderate camp itself.

Signposts

As we analyze how events may unfold, we start from the following four basic judgments about the political situation:

- Deng has incurred costs but is still the final arbiter of power among competing groups.

- The reform camp is increasingly subject to strains and divisions but, as a whole, remains committed to resisting a challenge from the conservatives.
- Party traditionalists have for the moment gained ground and will seek to capitalize on their position but are not as united and strong as they appear; thus, Deng, although he cannot ignore their influence, is not hamstrung by them.
- Zhao will remain as General Secretary and a new premier will be appointed at, or soon after, the October party congress.

Although we believe the precipitating cause of Hu's dismissal was his attack on Deng's personal power, the incident has renewed the debate over reform policy. Each side has advantages and weaknesses. Reformers have a proven record in bettering China's economic performance, and most Chinese recognize that improvements in their standard of living owe much to reform policies. A large and diverse group of officials, intellectuals, farmers, and resurgent small businessmen owe their positions to reform and will resist any drastic rollback. Their long dominance of central government and party organs has enabled reformers to put many of their supporters in positions throughout the bureaucracies. Finally, the fact that most of the conservative leaders are well over 70 will work in the reformers' favor as the elders pass from the scene.

On the other hand, many reform policies are at odds either with the socialist tradition that China has developed over the past 38 years or with aspects of traditional Chinese customs. Reform demands movement, whereas conservatives have the easier task of obstructing or slowing change. Moreover, although the beneficiaries of reform have been more prominent, there are losers, as well, whose support the conservatives can enlist. In this group we include, for example, many middle-ranking officials and party cadre who resent the diminution of their power, some members of the military who distrust the rapid pace of reform, workers who do not welcome changes in the system of

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lifetime employment, and farmers who prefer the security of a more controlled rural economy—and who have not prospered as much as their neighbors under reform. [REDACTED]

We see four scenarios possible in the wake of Hu's dismissal:

- The antibourgeois liberalism campaign will continue with ritual pronouncements in the press, but reformers will quickly reassert themselves. However, because of economic problems, the reformers will proceed cautiously and not initiate any dramatic new reforms.
- Conservatives will continue to exert influence for several months, but reformers will be able to regroup by next October's party congress and will largely succeed in controlling policy by then.
- A prolonged period of infighting and policy uncertainty will lead to paralysis and stagnation.
- The conservatives will be able to consolidate their gains and restrict both the scope and the speed of reform. [REDACTED]

Indicators we expect to see in the next few months should enable us to track the struggle over power and policy. Probably the most important will be the choice of a new premier. The selection of a younger, reform-minded premier would be a strong indicator that the reform camp is still ascendant. The choice of a more conservative candidate such as Li Peng would suggest at a minimum that the reformers have had to make important compromises. Selection of one of the party elders, even a reformist like Wan Li, would probably mean a deadlock, with neither side able to impose a candidate of its choice from the next generation. If Zhao relinquishes the party slot and returns to being premier—which we believe unlikely—we would see that as a sign of dissatisfaction with Zhao's leadership. In our opinion, the chances of an orderly and lasting succession would be reduced. [REDACTED]

We do not know how much Deng may have been weakened by recent events, or whether, in fact, removing Hu's divisive influence will prove a net gain. Although he has affirmed his support for reform in general terms, Deng has not yet made clear what his next steps will be or what sort of reforms he is willing to back. As preparations for the party congress go forward, Deng's position—in particular, whether he has had to cede significant influence to old-guard conservatives—should become clearer. We will be looking, for example, for evidence that he is taking a personal role in shaping the agenda and personnel appointments for the 13th Party Congress. [REDACTED]

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Other key indicators of the strength of the traditionalist and reform camps include:

- Key personnel appointments. [REDACTED]

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- Continued prominence and control of important sectors by old-guard retreads. Many traditionalists who had been relegated to the shelf have been brought back. If these leaders remain near the center of power, it would suggest conservative strength.
- The duration and intensity of the campaign against bourgeois liberalism. Continued play of conservative slogans and resurrection of heavily ideological propaganda themes such as the call to emulate Lei Feng, a mythical model soldier of the 1960s, will be a sign that the reformers are on the defensive.
- Success in containing the purge of Hu Yaobang's supporters, as Zhao has called for, would show reform strength.

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- Economic policy pronouncements—recently a number of conservative signals have been sent in economic policy. For example, a recent State Council circular called for strengthening control over vegetable prices and setting a ceiling on the negotiated price of grain. Economic factors are also involved in the slowing of reforms, but we believe an absence of initiatives or a rollback of previously announced policies would also indicate increased traditionalist political strength.
- Although in this area reformers and conservatives are probably closer than in domestic policy, changes in foreign policy that reflect anti-Western suspicions would reflect diminished reformist influence.
- Whether the reformers are able to impose their agenda on the 13th Party Congress, or are forced to postpone the conclave beyond October, will be perhaps the most telling evidence of the political situation.

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Appendix

Hu Yaobang's Resignation— A Chronology

1983²

Deng kicks off spiritual pollution campaign in a speech to the Second Plenum of the 12th Central Committee in October—claims spiritual pollution exists mostly in fields of ideology, arts, and literature—attacks the fear of countering rightist ideas, and calls for the removal of party leaders preaching or tolerating erroneous ideas. On 26 October the party issues Central Document 36, providing guidance on spiritual pollution eradication. [REDACTED]

Hu Yaobang speaks to Communist Youth League leaders on 13 December, reportedly places limits on the opposition to spiritual pollution to avoid going to “extremes.” [REDACTED]

Hu publicly warns in November that Zhao Ziyang's impending trip to the United States might be canceled because of a US Senate Foreign Relations Committee resolution on the future of Taiwan [REDACTED]
[REDACTED]

1984

A June Hong Kong press article claims Chen Yun is unhappy over Hu's placing Communist Youth League cadres in key positions. [REDACTED]

Hu Yaobang tells Japanese reporters in September that the coming party meeting will make a decision on holding a party congress in 1985, information that Hu says is “top secret.” [REDACTED]

[REDACTED] Hu claims in October that Deng Xiaoping has asked him to take the chairmanship of the party's Central Military Commission. [REDACTED]

² This chronology is based in part on information that has become available since Hu Yaobang's resignation. [REDACTED]

1985

Coverage of the anniversary of the January 1935 Zunyi party meeting includes a reference to Hu Yaobang, who is presiding, as an old soldier—probably an attempt to build Hu's stature with the military. [REDACTED]

Party ideologue Hu Qiaomu delivers a speech in February attacking the excessive publicity given the rural “10,000-yuan households,” criticism in part aimed at Hu Yaobang, who had tirelessly praised wealthy peasant entrepreneurs during rural inspection trips. [REDACTED]

During an April news conference, Hu claims the United States has agreed to send only conventionally armed warships to call on China. Another probable gaffe is Hu's statement during a New Zealand visit in April that China plans to reduce its armed forces by 1 million—the announcement was probably supposed to have been made in China, possibly by Deng Xiaoping. [REDACTED]

In a remarkably frank interview in May with Lu Keng, a Chinese journalist from Hong Kong, Hu suggests the mainland may eventually resort to force to bring about reunification with Taiwan, makes backhanded comments on several senior leaders, and states that “there are not a lot of things to do in the Army”—a comment that seems to denigrate the military. [REDACTED]

[REDACTED] in late spring and early summer [REDACTED] Deng intends to readjust China's leadership, including replacing Hu Yaobang with Hu Qili as party general secretary. Hu, in turn, is slated to take Deng's position as head of the party's Central Military Commission. These changes are to [REDACTED]

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be announced at the September party meetings, according to information reportedly distributed through party channels. []

Probably reflecting criticism of Deng's efforts to appoint Hu to the Central Military Commission, a June *Liaowang* article cites the historical analogy of Zhuge Liang's appointment of Ma Shu as "military consultant," despite Ma's tendency to overstate things. The article claims that "the appointment of a person who indulged in empty talk and exaggeration was an important error committed by Zhuge Liang." []

The Japanese press reports in July that Deng tells a visiting Japanese legislator that Zhao and Hu will be replaced in September. []

Following party conservative Hu Qiaomu's attack in the fall on the "Ma Ding" article—which had cited limitations of Marxist theories to deal with modern economic problems—Hu Yaobang reportedly defends the right of academics to publish controversial views. Deng Xiaoping reportedly agrees with Hu, and extends the protection to writers. []

During key party meetings in September, reformers—including Hu Yaobang's proteges—make gains in the Central Committee and the Politburo. No movement is reported on the plan to replace Hu and Zhao with younger leaders, however. Chen Yun attacks the rural reform policies for contributing to a decrease in grain production in 1985. []

1986

Beijing announces an anticorruption drive under the control of the party Secretariat (led by Hu Yaobang) aimed at central party, government, and military organs. The drive is to last from six months to one year. A leading group to deal with corruption in the central departments is established at the "8,000 Cadres," meeting in January. The group is reportedly headed by Qiao Shi—frequently linked to Hu Yaobang. []

Deng Xiaoping tells New Zealand Prime Minister David Lange in March that "political structural reforms" are needed, kicking off a wide-ranging discussion on these reforms. Hu Yaobang and Hu Qili take the lead in pushing the political reform agenda. []

Evidence of mounting leadership tension over the anticorruption campaign includes the reported statement by Deng in an April Politburo meeting that mismanagement of the campaign amounts to a conspiracy to shake the government. []

[] Deng decides not to press charges against a prominent military leader's daughter to avoid provoking countercharges from conservatives. []

Qiao Shi is appointed Vice Premier in April "to give better guidance to the country's political and legal work." []

According to the Hong Kong press, Hu tells a meeting in Sichuan in May that 110 to 120 members of the Central Committee should be replaced, implying that those over 60 should retire—an indicator of Hu's pressuring the party old guard to step aside. []

Zhao Ziyang tells reporters on 1 June that press reports of high-level leadership changes are groundless, and that Zhao, Hu Yaobang, and President Li Xiannian will hold their positions until their terms expire in 1987. []

While visiting the United Kingdom in June, Hu Yaobang tells a press conference that he and Zhao should start stepping back beginning next year, and should be gradually retired "a few years later." []

Propaganda Chief Zhu Houze—a Hu Yaobang protege—claims in July that "patience" and "one year of study" will be needed on questions of political reform and spiritual civilization. Zhu defends the expression

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of differing opinions and suggests that conservative views expressed in the party journal *Red Flag* are not necessarily those of the central leaders. [redacted]



According to a Japanese press report, in September Hu Yaobang urges Deng to retire as head of the Central Advisory Commission and to appoint Hu to the position. Conservatives Deng Liqun and Hu Qiaomu support Deng's refusal. [redacted]

In a September interview with a US newsman, Deng states that, although he hopes to retire in the fall of 1987, he probably would not be able to. [redacted]

The document of the Sixth Plenum of the 12th Central Committee held in September calls for building a "spiritual civilization"—a theme championed by Hu Yaobang and his supporters. Conservative language in the document, including a reference to the problem of "bourgeois liberalization," suggests greater compromise than Hu had hoped for, however. Official guidance on propagandizing the document reportedly stresses giving it a low-key approach, and, contrary to usual practice, no instruction is given to propaganda workers on how to interpret the document—further signs of the lack of consensus. [redacted]

Deng Xiaoping delivers a speech on the need to oppose bourgeois liberalization on 28 September. Hu reportedly has a hand in keeping the speech from being publicized—it is later released as Central Document 2 following Hu's resignation in January. [redacted]

According to a Japanese press report, in September Hu urges Deng to retire from the Central Advisory Commission to allow Hu to assume this position, after stepping down as party head. Several newspaper articles referring to Deng's retirement may be related to behind-the-scenes maneuvering on this proposal—a Guangzhou newspaper carries an article in September referring to Deng as "your excellency" and asking him to "stay a bit longer." In October, a Shenzhen newspaper carries an article in response, calling for Deng's retirement. [redacted]



According to diplomatic sources, a leading group to study political structural reform is formed under the leadership of Zhao Ziyang in the fall. Although Hu Yaobang may be in the group, his failure to head it probably reflects his political weakness. [redacted]

An election held in Hefei, Anhui Province, in late November triggers student dissatisfaction with nomination procedures and leads to student protests in early December. Local grievances, a news blackout, and missteps by officials lead to protests in Shanghai, climaxing in over 30,000 demonstrators protesting on 21 December. Smaller protests subsequently break out in Beijing. [redacted]

A Hong Kong magazine reports that a late November Secretariat meeting approves a decision to replace Hu with Zhao as party head at the 13th Party Congress. [redacted]

[REDACTED]

An enlarged meeting of the Central Military Commission held 11-26 December, attended by some 7,000 Army cadres down to Army corps commander level, fails to accept Hu's appointment as Commission Chairman, according to a variety of information. The Japanese press reports that Hu was not allowed to address the meeting, and his name dropped below Deng's in reports of the meeting—signs of low stature.

[REDACTED]

[REDACTED]

1987

Deng Xiaoping convenes a series of Politburo meetings in January to receive Hu Yaobang's self-criticism and resignation. According to Japanese press reports, Deng addresses the meetings on four occasions between 6 and 16 January, criticizing Hu Yaobang for forming a faction, for his economic policies, and for Hu's mistakes in handling China's relations with Japan. Deng reportedly claims that the Hu Yaobang issue cannot be delayed until next fall's party congress. [REDACTED] the Politburo voted 11 to 9 to oust Hu, but Deng wanted a larger majority and called an "expanded" meeting packed with his supporters. [REDACTED]

Other signs of criticism of Hu include a 14 January meeting of conservative journalists that attacks the "premature closing" of the spiritual pollution campaign in early 1984, and claims that highly respected leading party comrades objected to the party direction of "constructing spiritual civilization" at the 1985 National Party Conference, but were overruled. [REDACTED]

A communique of the enlarged Politburo meeting announces Hu's resignation and Zhao's appointment as acting party chief on 16 January. The communique states that decisions will be submitted to the "next plenary session of the CCP," and Hu retains his seat on the Politburo standing committee. [REDACTED]

Central Document 3 dated 19 January reportedly contains a list of Hu Yaobang's six errors—Hu encouraged "bourgeois liberalization," he failed to combat rightist ideas, his economic policies promoted dangerously high rates of growth, he undermined the principles of collective leadership and the rule of law, he spoke on foreign affairs questions without authorization, and he failed to respect decisions made by party and state leading bodies. The document also reportedly carries portions of Hu's self-criticism. [REDACTED]

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